

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 11/20/2012	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Review of the District Attorney's Office State of California Department of Insurance Automobile Insurance Fraud Program Grant for Fiscal Year 2011-12.			
(5) RECOMMENDED ACTION It is recommended that the Board receive the item and file.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY  <input checked="" type="checkbox"/> N/A    Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW  <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

## County of San Luis Obispo



TO: Board of Supervisors  
FROM: Gere W. Sibbach, Auditor-Controller  
DATE: 11/20/2012  
SUBJECT: Review of the District Attorney's Office State of California Department of Insurance Automobile Insurance Fraud Program Grant for Fiscal Year 2011-12.

### **RECOMMENDATION**

It is recommended that the Board receive the item and file.

### **DISCUSSION**

The objective of our review was to determine the County of San Luis Obispo District Attorney's Office compliance with the State of California Department of Insurance grant program guidelines.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The District Attorney's Office administers the grant.

### **FINANCIAL CONSIDERATIONS**

Total grant funds awarded were \$64,128 for fiscal year 2011-12.

### **RESULTS**

We determined that the department is in general compliance with the grant guidelines. We also identified an area of improvement which is detailed in the attached report.

The Auditor-Controller's review of grant programs helps maintain and improve internal controls and procedures for grant compliance by County staff and contributes to the County's vision of a well-governed community.

### **ATTACHMENTS**

1. DA Auto Fraud Grant Final Report

# County of San Luis Obispo

## Office of the Auditor-Controller

1055 Monterey Street Room D220  
San Luis Obispo, California 93408  
(805) 781-5040 FAX (805) 781-1220



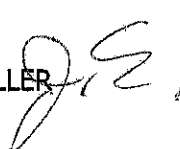
**GERE W. SIBBACH, CPA**

**JAMES P. ERB, CPA, Assistant**

**LYDIA CORR, CPA, Deputy**

**JAMES HAMILTON, CPA, Deputy**

Email [auditor@co.slo.ca.us](mailto:auditor@co.slo.ca.us)

TO: GERALD T. SHEA, DISTRICT ATTORNEY  
FROM: GERE SIBBACH, AUDITOR-CONTROLLER  
VIA: JAMES P. ERB, ASSISTANT AUDITOR-CONTROLLER   
DATE: OCTOBER 23, 1012  
SUBJECT: REVIEW OF THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE  
AUTOMOBILE INSURANCE FRAUD PROGRAM GRANT FOR FISCAL YEAR 2011-12.

### Purpose

The objective of our review was to determine the County of San Luis Obispo's grant compliance with the State of California Department of Insurance program guidelines.

### Scope

We conducted our audit using generally accepted auditing standards and the *Government Auditing Standards* published by the Comptroller General of the United States (revised December 2011). Our work included review of grant payments received; grant expenditures, including hours of staff assigned to the grant; statistics of cases used to measure grant performance; and the department's internal controls. Our evaluation of internal controls was limited to inquiries of departmental staff and direct observations.

### Results

We determined that the department is in general compliance with the grant guidelines. The department received \$64,128 in grant revenue and expended an equal amount. We determined expenditures were made for the purposes of the program as specified in Section 1872.8 of the Insurance Code, and California Code of Regulations, Title 10, Section 2698.60 et. Seq.

During fieldwork we identified an area where improvement could be made which we have discussed with staff. Suggestions for improvement are made for issues that the auditor considers not to be of an immediate serious nature and/or for issues which the department is able to correct at the time of the audit. Unlike formal audit findings, written departmental responses are not required for these issues. Our suggestion is detailed in the Suggested Improvements section below:

### Suggested Improvements

1. The cost accounting code used to track the Automobile Insurance Fraud Program grant was not included on one of the four deposit permits entered in fiscal year 2011-12 due to an oversight by staff. Deposits of warrants received from the California Department of Insurance for the grant should be posted to the appropriate cost accounting code. When proper coding is not utilized it is difficult for staff to track revenue received for the grant. Staff should take care to input the correct cost accounting code when entering and parking the deposit permit. Periodic supervisor review of deposit permits and revenues should be conducted to ensure that appropriate cost accounting codes are being used.

We appreciate the courteous attitude of your staff and the cooperation we received during the course of our review.